



**24<sup>th</sup>**  
**ANNUAL REPORT**

**2012-2013**

**LWS KNITWEAR LTD.**

Regd. Office: G.T. Road (West), Ludhiana-141 008 (Punjab)



**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 24th Annual General Meeting of the members of LWS Knitwear Ltd, will be held on Monday, the 30<sup>th</sup> day of September, 2013 at 9.30am at the Registered Office of the Company situated at G.T Road(West), Ludhiana, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2013 and the Balance sheet as on that date and Report of the Directors and Auditors thereon.
2. To appoint a director in place of Sh. Daya Nand Sahu, who retires by rotation and being eligible offers himself for reappointment.
3. To re-appoint Auditors and to fix their remuneration.

By order of the Board  
For LWS KNITWEAR LTD.

Sd/-  
(Girish Kapoor)  
Managing Director

Place: Ludhiana  
Date: 30.05.2013

**NOTES**

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the company. The proxy, in order to be effective, must be received by the company not less than forty eight hours before the meeting. The proxy form is enclosed.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28<sup>th</sup> day of September, 2013 to 30<sup>th</sup> day of September, 2013 (both days inclusive).

**DIRECTORS' REPORT**

To

The Members,

The Directors of your company have pleasure in presenting the 24th Annual Report together with Audited Accounts of the company for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL RESULTS**

The financial results of the company are as under

S. No.	Particulars	(Rs. In Lacs)	
		2012-13	2011-12
1.	Turnover / Other Income	1183.23	1181.61
2.	Profit before Taxation	2.75	0.94
3.	Provision for Tax	1.53	0.89
4.	Deffered Tax	0.00	3.58
5.	Profit/(Loss) after Tax	1.22	(3.53)
6.	Transfer to Reserve/ Surplus	1.22	(3.53)

**1. REVIEW OF OPERATIONS**

Your Company achieved Sales and other income of Rs. 1183.23 Lacs as compared to Rs. 1181.61 Lacs during the previous year with a net profit of Rs. 1.22 Lacs as compared to Loss of Rs. 3.53 Lacs in the previous year.

**2. DIVIDEND:**

Your Directors do not recommend any dividend for this year.

**3. PUBLIC DEPOSITS**

The company has not accepted any deposits under sections 58A and 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975.

**5. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The company is not engaged in any manufacturing activity and information under section 217 (1) e of The Companies Act, 1956 is nil.

**6. PERSONNEL**

None of the employee of the company is in receipt of remuneration for whole / part of the year exceeding the limit prescribed under section 217(2 A) of the Companies Act 1956. The relations with the employees remained cordial throughout the year.

**7. DIRECTORS**

Sh. Daya Nand Sahu, Director retire by rotation at the forth coming Annual General Meeting and being eligible, offer himself for re- appointment .

**8. LISTING**

The securities of the company are listed at Mumbai, Delhi, Ludhiana and Vadodara Stock Exchanges. Trading in securities is suspended by the exchanges Ludhiana and Vadodara Stock Exchanges The Company has paid the listing fees for the financial year 2012-13 to Bombay and Delhi Stock Exchanges only.

**9. AUDITOR'S**

M/s Rajesh K. Sharma and Associates, Chartered Accountants, Ludhiana are proposed for re-appointment as Statutory Auditors of the company from the conclusion of this ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. They have given their consent to acts as Auditors of the Company and have further confirmed that their appointment would be in conformity of the provision of section 224(IB) of the Companies Act, 1956. The Board recommends their re-appointment for the approval of members in the ensuing Annual General Meeting.

The observation of the Auditors in their report read with relevant notes to accounts are self explanatory and therefore, do not require further explanation.

**10. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that :

1. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2013, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

2. The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review ;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;
4. The Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2013 on a going concern basis.

**11. FOREIGN EXCHANGE EARNINGS AND OUT GO**

Your company has neither earned any foreign exchange nor incurred any expenditure of foreign exchange during the year under review.

**12. CORPORATE GOVERNANCE**

Pursuant to clause 49 of Listing Agreement with Stock Exchange(s), the Company has complied with the provisions of Clause 49 as per the schedule of implementation of Corporate Governance and Management Discussion and Analysis report on corporate governance and auditor's certificate regarding compliance with corporate governance form part of the annual report.

**13. ACKNOWLEDGEMENTS**

Your directors are pleased to place on record their sincere thanks to the Banks for their co-operation and support to the company. Your directors also express their deep appreciation for the devoted and sincere services rendered by workers, staff and executives at all levels of the operations of the company during the year and we are confident that your company will continue to receive such co-operation from them in future also.

**By order of the Board  
For LWS KNITWEAR LTD.**

**Sd/-  
(Girish Kapoor)  
Managing Director**

**Place: Ludhiana  
Date: 30.05.2013**

**REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE**

The report on Corporate Governance is requirement under Listing Agreement entered into with stock Exchange and forms part of the report of the Board of Directors to the shareholders of the Company. This report gives an insight into the organizational structure of the Company.

**VISION AND PHILOSOPHY ON THE CODE OF GOVERNANCE**

The vision of the company is to be a financially sound, profitable, growth oriented company committed to building and maximizing sustainable value for all the shareholders. In its endeavour to attain the goal visualized, the company is laying maximum emphasis on the effective system of Corporate Governance.

**BOARD OF DIRECTORS****Composition:**

The present strength of Board of Directors of the Company is three comprising of one promoter director and two independent directors having diversified professional experience. Only one director is whole time director in the Company. The composition of board of directors is as below:-

Chairman of the company is executive.

The particulars relating to the Directors as on 31.03.2013 are given below:-

S No.	Name	Designation	Nature of Directorship
1.	Sh.Girish Kapoor	Managing Director	Promoter / Executive
2.	Sh. Daya Nand Sahu	Director	Independent / Non Executive
3	Sh.Varinder Kumar Dhamija	Director	Independent / Non Executive

At present no sitting fees is being paid to any director and there are no pecuniary relationships or transactions between the company and independent directors. None of the directors on Board holds the office of directors in more than fifteen Companies or membership in more than ten committees of the board or chairmanship of more than five committees.

**CONDUCT OF BOARD MEETING**

The meetings of the board of directors are held at periodical intervals. The meeting dates are decided well in advance and the agenda papers are circulated sufficiently in advance to the Directors. The Directors have access to all the information about the Company and can suggest for inclusion of any other matter in the agenda for discussion at the Board meetings. The responsibilities, such as policy formulation, performance review and analysis & controls are handled by the Board. The Board has delegated various powers to the committee of Board of Directors of the Company.

The meetings of the Board are ordinarily required to be held at least once in quarter and four times in a year. During the year, the Board met 5 times on the following dates,

30.04.2012	31.07.2012	25.08.2013
31.10.2012	31.01.2013	

The attendance of Directors at the meetings for the year 2012-13 and directorship in other companies, membership in other companies and Share holding as on 31-03-2013 is furnished below

S No.	Name of Director	No. of Board Meeting attended.	Nos of other Directorship	Membership in other Committees	Share holding as on 31-03-2013
1	Sh. Girish Kapoor	5	2	--	707600
2	Sh. Daya Nand Sahu	5	2	--	---
3	Sh. Varinder Kumar Dhamija	5	2	--	---

The following Directors attended the last Annual General Meeting held on 29.09.2012.

1. Sh. Girish Kapoor
2. Sh. Daya Nand Sahu

### COMMITTEES OF THE BOARD OF DIRECTORS

The Board constituted the following committees

1. Audit Committee to oversee audit functions of the Company.
2. Shareholders'/Investors' Grievances Committee to look into the redressal of shareholders/investors' Grievances.
3. Remuneration Committee

The minutes of each Committee are placed before the Board of Directors at their subsequent meeting.

### AUDIT COMMITTEE

Audit committee consists of three directors and two of them are independent and non-executive directors. Five meetings of Audit Committee were held in the year under consideration. The detail of members and their attendance is as under

Name of Directors	Category	Designation	Nos. of meeting attended
Sh. Daya Nand Sahu	Non-Executive and Non Promoter	Chairman	5
Sh. Girish Kapoor	Executive and Promoter	Member	5
Sh. Varinder Kumar Dhamija	Non-Executive and Non Promoter	Member	5

### SHAREHOLDERS/INVESTORS GRIEVANCE REDRESSAL COMMITTEE

Shareholders/Investors Grievance Committee consists of three directors and two of them are independent and non-executive directors. Two meetings were held to consider all the matters concerning with shareholders. Managing Director is authorized to approve all the share transfers and related matters. The details of members and their attendance is as under

Name of Director	Category	Designation	Nos. of meeting attended
Sh. Daya Nand Sahu	Non-Executive and Non Promoter	Chairman	2
Sh. Girish Kapoor	Executive and Promoter	Member	2
Sh. Varinder Kumar Dhamija	Non-Executive and Non Promoter	Member	2

### REMUNERATION OF DIRECTORS

There is no pecuniary relationship or transaction of the company with its independent directors and no commission is paid to them. Sh. Girish Kapoor, Managing Director is paid monthly Remuneration.

### REMUNERATION COMMITTEE

Remuneration committee consists of three directors and two of them are independent and non-executive directors. No meeting of Committee was held in the year under consideration. The details of members is as under

Name of Directors	Category	Designation
Sh. Daya Nand Sahu	Non-Executive and Non Promoter	Chairman
Sh. Girish Kapoor	Executive and Promotor	Member
Sh. Varinder Kumar Dhamija	Non-Executive and Non Promoter	Member

#### COMPLIANCE OFFICER

Sh. Daya Nand Sahu, Director of the company has been appointed as Compliance officer for the purpose of complying with various provisions of the Guidelines, Regulations issued by Securities & Exchange Board of India and Listing Agreement with stock exchanges.

#### COMMON AGENCY/SHARE TRANSFER AGENT

The Company has appointed M/s Beetal Financial & Computer Services Pvt Ltd , New Delhi as Common Agency for Share Transfer work in both modes physical as well as electronically. Following is the address of Transfer Agent :

M/s Beetal Financial & Computer Services Pvt Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Center,  
Near Data Harsukhdas Mandir  
New Delhi- 110062  
Ph.: 011-29961281/82  
Fax : 011-29961284

#### SHARE HOLDERS COMPLAINTS

Opening Balance Nil  
Received Nil  
Settled Nil  
Closing Balance Nil

No shareholders complaint and no share transfer is pending with the company.

#### GENERAL BODY MEETINGS

Detail of last 3 Annual General Meetings are given here below:-

Financial Year	Date	Time	Venue
2009-10	30.09.2010	11A.M	Regd. Office
2010-11	30.09.2011	9.30 A.M.	do
2011-12	29.09.2012	11 A.M.	do

#### SPECIAL RESOLUTIONS

Detail of Special Resolutions passed in the past 3 Annual General Meetings is as under

Date of AGM	Special Resolution
2009-10	Nil
2010-11	Yes
2011-12	Nil



**COMMUNICATION TO SHAREHOLDERS**

Company provides information relating to the company mainly through the annual reports which includes the Directors report, audited accounts, cash flow statements etc. The shareholders are also intimated the quarterly, and yearly and annual performances through intimation to stock exchanges.

**GENERAL INFORMATION TO SHAREHOLDERS****LISTING ON STOCK EXCHANGES**

The shares of the company are listed on the following stock exchanges:

1. The Stock Exchange, Mumbai.
2. The Delhi Stock Exchange.
3. The Ludhiana Stock Exchange.
4. The Vadodara Stock Exchange.

Annual Listing fee for the year 2012-13 has been paid to the Delhi and Bombay Stock Exchanges only.

**24<sup>th</sup> ANNUAL GENERAL MEETING**

Date : 30.09.2013  
 Time : 9.30 AM  
 Venue : G T Road, West  
 Financial Year : 2012-13  
 Date of Book Closure : 28-09-2013 - 30-09-2013 (Both Days inclusive)

Distribution of share holding of the company as on 31.03.2013 –Category wise

S. No.	Category	No. of Shares Held	% of shareholders
1.	Promoter	2925100	57.82
2.	Indian Public	2133300	42.18
	<b>Total</b>	<b>5058400</b>	<b>100.00</b>

**DEMATERIALISATION OF SHARES AND LIQUIDITY**

The Company has ensured connectivity with NSDL/CDSL for dematerialization of shares. The ISIN Number is INE281M01013.

**ADDRESS FOR CORRESPONDENCE**

Followings are addresses for correspondence:

**REGISTERED OFFICE/ PLANT LOCATION/ ADDRESS FOR CORRESPONDENCE**

Lws Knitwear Ltd  
 G.T. Road (West), Near Chand Cinema, Ludhiana, Punjab- 141008

**BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT**

Name : Sh Dayanand Sahu  
 Age: 50  
 Occupation : Business  
 Directorship in others companies :

1. Gee Kay Exports Pvt Ltd.
  2. LWS Exports Ltd
- Qualification : Commerce Graduate

**NON –MANDATORY REQUIREMENTS****CHAIRMAN OFFICE**

Chairman of the Company is Executive Director and the company is not required to maintain separate office for chairman.

The Company has constituted a remuneration committee.

**CEO DECLARATION ON CODE OF CONDUCT**

The Board of Directors of the company has laid down Code of Conduct for the Company Directors and Senior Employees. All the Directors and the senior Employees covered by the code affirm compliance with the Code on an annual basis.

**CERTIFICATE OF COMPLIANCE OF CODE OF CONDUCT BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

This is to certify that Board of Directors and the Senior Management Personnel have affirmed Compliance of the Code of Conduct applicable to them during the year ended 31<sup>st</sup> March 2013

**CEO & CFO CERTIFICATION UNDER CLAUSE 41 & 49(V) OF THE LISTING AGREEMENT TO BE PLACED BEFORE THE BOARD ALONG WITH AUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

It is hereby certified that;

- 1) We have reviewed financial statements and the cash flow for the year and that to the best of our knowledge and belief;
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or volatile to the company code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial Reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit committee:
  - a) Significant changes in internal control over financial reporting during the year if any;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements if any;

- c) There were no instances of fraud of which they have become aware and the involvement their in, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**By order of the Board  
For LWS KNITWEAR LTD.**

**Place: Ludhiana  
Date: 30.05.2013**

**Sd/-  
(Girish Kapoor)  
Managing Director**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **1. INDUSTRY STRUCTURE AND DEVELOPMENT**

Ludhiana is a leading producer of woolen and acrylic garments. The industry caters largely to domestic market, it is also exporting hosiery goods which is around 10% of total production. Main export markets till early 1990s, it was former USSR and Middle East and now in recent years it has expanded to other markets in Europe and USA.

#### **2. OPPORTUNITIES AND THREATS**

The company is engaged in the manufacture of woolen garments which is a consumer product and has a ready market in India and abroad. However, the company faces competition from other manufactures.

#### **3. SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The company suffered losses in past some years and there were some financial constraints which led to the closure of production. However, company has come out of all the constraints and it has paid all the loans and the company is now debt free.

#### **4. OUTLOOK**

Company is all set to export readymade garments and it is expected to earn good profits in the coming years.

#### **5. RISKS AND CONCERN**

Management does not foresee any significant risk to the industry.

#### **6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.**

The company has a qualified and independent audit committee which reviews the adequacy of internal controls.

#### **7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

The gross block of assets of the company stood at Rs.17.33 crores and net worth of the company is Rs. 9.41 crores as at 31.03.2013.

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,

The Member,  
LWS Knitwear Ltd.  
Ludhiana

We have examined the compliance of conditions of corporate governance by M/s LWS Knitwear Ltd for the year ended 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination is limited to a review of the procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that, no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investor Grievance Committee, other than those which are a subject matter of litigation.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR RAJESH K. SHARMA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Sd/-  
(RAJESH SHARMA)  
Partner

Place: Ludhiana  
Date: 30.05.2013

**AUDITOR'S REPORT**

The Share Holders,  
**M/s. LWS KNITWEAR LTD.**  
LUDHIANA

Dear Sirs,

**SUBJECT: AUDIT REPORT FOR THE YEAR ENDING 31.03.2013.**

We have audited the attached Balance Sheet of M/s. LWS KNITWEAR LTD., LUDHIANA and also Profit & Loss Account & Cash Flow Statement for the year ended 31.03.2013 annexed thereto. These financial statements are responsibility of the Company's Management. Our

responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and other Companies (Auditors Report) Order 2005, issued by the Central Govt. of India in terms of Section 227(4A) of the Companies Act, 1956, we annexe a statement on the relevant matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in annexure referred to above, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
  - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with referred to by this report are in agreement with the books of account of the company.
  - (d) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
  - (e) The Directors are not disqualified as on 31.03.2013 for being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act,
  - (f) In our opinion and to the best of our information and according to the explanations given to us and subject to the notes on accounts given at, Annexure XVII, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
    - (i) In the case of the Balance Sheet of the State if affairs of the company as at 31.03.2013 and ;
    - (ii) In the case of Profit & Loss Account of the profits for the year ended on that date and ;
    - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

**FOR RAJESH K. SHARMA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**Sd/-  
(RAJESH SHARMA)  
Partner**

**Place: Ludhiana  
Date: 30.05.2013**

**ANNEXURE TO AUDIT REPORT FOR THE YEAR ENDING 31.03.2013.**

As required by the Manufacturing and Other Companies (Auditor's Report) order, 2004, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we further report that:-

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, which are in process of updation/completion.  
(b) As explained to us, the fixed assets have been physically verified by the management according to the phased programme. Pursuant to programme, physical verification of the fixed assets was carried out during the period by the management and discrepancies noticed were not material.  
(c) No Substantial part of the fixed assets has been disposed during the year.
- (2) (a) The inventories have been physically verified by the management during the year at reasonable intervals.  
(b) In our opinion and according to the information & explanations given to us, the proceeds of physical verification followed by the management are reasonable and adequate in relation to the size of the company and nature of the business.  
(c) The company has maintained stock records of inventories and discrepancies noticed on physical verification were not material.
- (3) (a) The Company has not taken any loans (secured or unsecured) from Shareholders/other parties covered under Section 301 of the Companies Act, 1956. However the company has granted loans to companies, firms and other parties covered under section 301 of the Act.  
(b) N.A.  
(c) N.A.  
(d) There is no overdue amount in respect of loans taken by the company.
- (4) In our opinion and according to information provided to us, there are adequate internal control procedures commensurate with the size of the company and nature of the business for the purchase of the inventory and fixed assets of the company and for the sale of the goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (5) (a) According to the information and explanation given to us and audit in accordance with generally accepted auditing practices, in our opinion, the transactions that need to be entered into the register in pursuance of section 301 of the Act have been so entered.  
(b) In our opinion and according to information and explanations given to us, the transactions with parties as stated in para 5(a) above, with whom transactions exceeding Rs.5,00,000/- have been entered into during the financial year are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (6) As per the information and documents provided to us, during the year the company has not accepted any deposits from the public as defined under section 58A and 58AA of the Companies Act 1956, and the rules framed there under.
- (7) In our opinion the company has an internal audit system commensurate with the size and nature of the business.
- (8) During the year under review, Maintenance of Cost records under section 209(1) of the Companies Act, 1956, is not applicable to company.

- (9) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including P.F., ESI, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues which are applicable to it. According to the information and explanation given to us, disputed amount payable in respect of the statutory dues which are remained outstanding as at 31.03.2013 for a period more than 6 months is Nil.
- (b) According to the records and information and explanations given to us, there are dues of Rs. Nil in respect of P.F., ESI, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues that have not been deposited on account of dispute.
- (10) The company has neither any accumulated losses nor has incurred any cash losses in the current financial year.
- (11) Based on our audit procedures and on the information and explanations provided by the management, the company has not defaulted in repayment of dues to bank. There were no dues to debenture holders during the year.
- (12) According to the information and explanations provided to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) Clause (xiii) is not applicable to the company as the company is not a Chit fund company or nidhi/mutual benefit fund/society.
- (14) In our opinion and according to information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments and therefore clause (xiv) of the Order is not applicable to the company.
- (15) According to information and explanations given to us, the company has not given any guarantee for loans taken by others from the bank or financial institutions.
- (16) According to information and explanations given to us, the no term loan has been availed during the year under review.
- (17) According to information and explanations given to us, and on overall examination of the Balance Sheet of the company, we are of the opinion that the company has not used funds raised on short term basis for long term investments and vice versa.
- (18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 during the year.
- (19) No debentures have been issued / outstanding during the year hence the provision of clause (xix) of the said order is not applicable.
- (20) The company has not raised money by public issues during the year.
- (21) Based on the audited procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR RAJESH K. SHARMA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Sd/-  
**(RAJESH SHARMA)**  
Partner

**Place: Ludhiana  
Date: 30.05.2013**

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.  
BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	NOTE NO.	(AMOUNT IN RS.)	
		AS AT 31.03.2013	AS AT 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	50584000.00	50584000.00
(b) Reserves and Surplus	2	43469751.02	43355337.10
(c) Money received against share warrants		0.00	0.00
<b>(2) Share application money pending allotment</b>		0.00	0.00
<b>SUB TOTAL (A)</b>		<b>94053751.02</b>	<b>93939337.10</b>
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	7875000.00	8405514.00
(b) Deferred tax liabilities (Net)		0.00	0.00
(c) Other Long term liabilities		0.00	0.00
(d) Long term provisions		0.00	0.00
<b>SUB TOTAL (B)</b>		<b>7875000.00</b>	<b>8405514.00</b>
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		0.00	0.00
(b) Trade payables	4	71158533.00	13525782.00
(c) Other current liabilities	4	103510.89	106672.89
(d) Short-term provisions	4	153070.00	88800.00
<b>SUB TOTAL (C)</b>		<b>71415113.89</b>	<b>13721254.89</b>
<b>TOTAL (A+B+C)</b>		<b>173343864.91</b>	<b>116066105.99</b>
<b>II.ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	5	1936474.26	2034963.26
(ii) Intangible assets		0.00	0.00
(iii) Capital work-in-progress		0.00	0.00
(iv) Intangible assets under development		0.00	0.00
(b) Non-current investments	6	79874200.28	66436973.40
(c) Deferred tax assets (net)		56165.06	56165.06
(d) Long term loans and advances	7	4300000.00	4300000.00
(e) Other non-current assets	8	20337108.00	1450000.00
<b>SUB TOTAL (D)</b>		<b>106503947.60</b>	<b>74278101.72</b>
<b>(2) Current assets</b>			
(a) Current investments		0.00	0.00
(b) Inventories	9	28441.00	8750.00
(c) Trade receivables	9	53099871.00	40254646.00
(d) Cash and cash equivalents	9	13702848.31	1524608.27
(e) Short-term loans and advances		0.00	0.00
(f) Other current assets	9	8757.00	0.00
<b>SUB TOTAL (E)</b>		<b>66839917.31</b>	<b>41788004.27</b>
<b>TOTAL (D+E)</b>		<b>173343864.91</b>	<b>116066105.99</b>

**SIGNIFICANT ACCOUNTING POLICES AND NOTES TO THE ACCOUNTS**

As per our Report of even date attached

**FOR RAJESH K. SHARMA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

FOR LWS KNITWEAR LTD.

Sd/-  
**(RAJESH SHARMA)**  
Partner

Sd/-  
**(GIRISH KAPOOR)**  
Managing Director

Sd/-  
**(DAYA NAND)**  
Director

Place: Ludhiana  
Date: 30.05.2013



M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	NOTE NO.	CURRENT YEAR	PREVIOUS YEAR
<b>REVENUE</b>			
I. Revenue from operations (Net of Taxes)	10	118322989.00	118159767.65
II. Other Income	11	13.48	1309.67
<b>Total Revenue (I +II)</b>		<b>118323002.48</b>	<b>118161077.32</b>
<b>EXPENSES</b>			
Cost of materials consumed	12	116700582.00	116313887.81
Purchase of Stock-in-Trade		0.00	0.00
Changes in inventories of FG/SIP/SIT	13	-19691.00	0.00
Employee benefit expense	14	373640.00	133845.00
Financial costs	15	1483.00	1000.00
Depreciation and amortization expense	16	224489.00	224488.72
Other expenses	17	767795.56	1393619.24
<b>Total Expenses (IV)</b>		<b>118048298.56</b>	<b>118066840.77</b>
V. Profit before exceptional and extraordinary items	(III - IV)	274703.92	94236.55
VI. Exceptional Items		0.00	0.00
VII. Profit before extraordinary items and tax (V - VI)		274703.92	94236.55
VIII. Extraordinary Items		0.00	0.00
IX. Profit before tax (VII - VIII)		274703.92	94236.55
<b>X. Tax expense:</b>			
(1) Current tax		153070.00	88800.00
(2) Deferred tax		0.00	358002.00
XI. Profit from the period from continuing operations		121633.92	-352565.45
XII. Profit/(Loss) from discontinuing operations		0.00	0.00
XIII. Tax expense of discounting operations		0.00	0.00
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0.00	0.00
XV. Profit/(Loss) for the period (XI + XIV)		121633.92	-352565.45
Less Previous Year Tax Adjustments		7220.00	6650.00
Add Depreciation Adjustments		0.00	0.00
Profit B/F		41355337.10	41714552.55
Balance C/F to Balance Sheet		41469751.02	41355337.10
<b>XVI. Earning per equity share:</b>			
(1) Basic		0.02	0.00
(2) Diluted		0.02	0.00

**SIGNIFICANT ACCOUNTING POLICES AND NOTES TO THE ACCOUNTS**

NOTE NO - 18

As per our Report of even date attached

**FOR RAJESH K. SHARMA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**FOR LWS KNITWEAR LTD.**

Sd/-  
(RAJESH SHARMA)  
Partner

Sd/-  
(GIRISH KAPOOR)  
Managing Director

Sd/-  
(DAYA NAND)  
Director

Place: Ludhiana  
Date: 30.05.2013

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

NOTE NO. - IDETAIL OF SHARE CAPITAL

<u>PARTICULARS</u>	<u>AS AT 31.03.2013</u> <u>(RS.)</u>	<u>AS AT 31.03.2012</u> <u>(RS.)</u>
<b><u>AUTHORISED</u></b>		
55,00,000 (P.Y. 55,00,000) Equity Shares of Rs. 10/- (Rupees Ten) each	55000000.00	55000000.00
<b><u>ISSUED, SUBSCRIBED AND PAID UP</u></b>		
50,58,400 (P.Y. 50,58,400) Equity Shares of Rs. 10/- (Rs. Ten) each fully paid up.	50584000.00	50584000.00
<b>TOTAL</b>	<b>50584000.00</b>	<b>50584000.00</b>
Share Capital as at 01.04.2012	50584000.00	50584000.00
Addition during the year	0.00	0.00
Balance As at 31.03.2012	50584000.00	50584000.00

DEATIL OF RESERVE & SURPLUSNOTE NO. - 2

<u>PARTICULARS</u>	<u>AS AT 31.03.2013</u> <u>(RS.)</u>	<u>AS AT 31.03.2012</u> <u>(RS.)</u>
Profit & Loss	41469751.02	41355337.10
Share Premium	2000000.00	2000000.00
<b>TOTAL</b>	<b>43469751.02</b>	<b>43355337.10</b>

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

NOTE NO. - 1DETAIL OF SHARE CAPITAL

<u>PARTICULARS</u>	<u>AS AT 31.03.2013 (RS.)</u>	<u>AS AT 31.03.2012 (RS.)</u>
<u>AUTHORISED</u>		
55,00,000 (P.Y. 55,00,000) Equity Shares of Rs. 10/- (Rupees Ten) each	55000000.00	55000000.00
<u>ISSUED,SUBSCRIBED AND PAID UP</u>		
50,58,400(P.Y 50,58,400) Equity Shares of Rs. 10/- (Rs. Ten) each fully paid up.	50584000.00	50584000.00
<b>TOTAL</b>	<b>50584000.00</b>	<b>50584000.00</b>
Share Capital as at 01.04.2012	50584000.00	50584000.00
Addition during the year	0.00	0.00
Balance As at 31.03.2012	50584000.00	50584000.00

DEATIL OF RESERVE & SURPLUSNOTE NO. - 2

<u>PARTICULARS</u>	<u>AS AT 31.03.2013 (RS.)</u>	<u>AS AT 31.03.2012 (RS.)</u>
Profit & Loss	41469751.02	41355337.10
Share Premium	2000000.00	2000000.00
<b>TOTAL</b>	<b>43469751.02</b>	<b>43355337.10</b>

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

NOTE NO. – 3

DEATIL OF LONG TERM BORROWINGS

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<u>A. SECURED BORROWINGS FROM BANKS AND FIs</u>	0.00	0.00
<u>B. FROM OTHERS</u>		
Unsecured Borroweings from Directors	0.00	0.00
Unsecured Borroweings from Shareholders	0.00	0.00
Unsecured Borroweings from Corporates	7875000.00	8405514.00
<b>TOTAL</b>	<b>7875000.00</b>	<b>8405514.00</b>

NOTE NO. – 4

DETAIL OF TRADE PAYABLES & OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<u>TRADE PAYABLES</u>		
Sundry Creditors	71158533.00	13525782.00
Sundry Creditors for Capital Goods	0.00	0.00
Advance from Customers	0.00	0.00
<b>SUB TOTAL (A)</b>	<b>71158533.00</b>	<b>13525782.00</b>
<u>OTHER CURRENT LIABILITIES</u>		
Payable Expenses	103510.89	106672.89
<b>SUB TOTAL (B)</b>	<b>103510.89</b>	<b>106672.89</b>
<u>DETAIL OF SHORT TERM PROVISIONS</u>		
Provision for Income tax	153070.00	88800.00
<b>SUB TOTAL (C)</b>	<b>153070.00</b>	<b>88800.00</b>
<b>TOTAL (A+B+C)</b>	<b>71415113.89</b>	<b>13721254.89</b>

**LWS KNITWEAR LIMITED**

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M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

**FIXED ASSETS**

(CALCULATION OF DEPRECIATION AS PER COMPANIES ACT, 1956)

NOTE NO. - 5

PARTICULARS	COST AS ON 01.04.2012	ADDITIONS		SALE/ TRANSFER	TOTAL COST OF ACQUISITION	DEPRECIATION UP TO 01.04.2012	DEPRECIATION FOR THE YEAR	ADJUSTMENTS /SALE	TOTAL DEPRECIATION	W.D.V AS ON 31.03.13	W.D.V AS ON 31.03.12
		BEFORE 30.09.2012	AFTER 30.09.2012								
Machinery	4438148.50	0.00	0.00	0.00	4438148.50	3108825.92	210812.00	0.00	3319637.92	1118510.58	1329322.58
Machinery under Installation	607055.00	0.00	126000.00	0.00	733055.00	0.00	0.00	0.00	0.00	733055.00	607055.00
<b>A</b>	<b>5045203.50</b>	<b>0.00</b>	<b>126000.00</b>	<b>0.00</b>	<b>5171203.50</b>	<b>3108825.92</b>	<b>210812.00</b>	<b>0.00</b>	<b>3319637.92</b>	<b>1851565.58</b>	<b>1936377.58</b>
<b>MISC. ASSETS</b>											
Computers	16700.00	0.00	0.00	0.00	16700.00	2707.07	2707.00	0.00	5414.07	11285.93	13992.93
Furniture & Fixture	94915.20	0.00	0.00	0.00	94915.20	62022.25	6008.00	0.00	68030.25	26884.95	32892.95
Office Equipments	78651.87	0.00	0.00	0.00	78651.87	51526.57	3736.00	0.00	55262.57	23389.30	27125.30
Water Coller	25800.00	0.00	0.00	0.00	25800.00	1225.50	1226.00	0.00	2451.50	23348.50	24574.50
<b>B</b>	<b>216067.07</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>216067.07</b>	<b>117481.39</b>	<b>13677.00</b>	<b>0.00</b>	<b>131158.39</b>	<b>84908.68</b>	<b>98585.68</b>
<b>A+B</b>	<b>5261270.57</b>	<b>0.00</b>	<b>126000.00</b>	<b>0.00</b>	<b>5387270.57</b>	<b>3226307.31</b>	<b>224489.00</b>	<b>0.00</b>	<b>3450796.31</b>	<b>1936474.26</b>	<b>2034963.26</b>

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

NOTE NO. - 6

DEATIL OF NON CURRENT INVESTMENTS

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b><u>TRADE INVESTMENTS</u></b>	0.00	0.00
<b><u>OTHER INVESTMENTS</u></b>		
<b><u>INVESTMENT IN EQUITY SHARES</u></b>	0.00	0.00
- (i) Subsidiaries/associates/joint ventures/controlled		
- (ii) Others (Quoted at cost)		
M/s. Riba Textile Limited	3000000.00	3000000.00
M/s. Sportking India Limited	300000.00	300000.00
<b><u>INVESTMENT IN PARTNERSHIP FIRMS</u></b>		
- LWS Knitwear (Associate Concern)	76574200.28	63136973.40
<b>TOTAL</b>	<b>79874200.28</b>	<b>66436973.40</b>
<b><u>NAME OF THE PARTNERS IN PARTNERSHIP CONCERN</u></b>	<b>SHARE</b>	<b>CAPITAL AS AT 31.03.13</b>
LWS Knitwear Limited	80.00%	76574200.28
Girish Kapoor	10.00%	-3309886.50
Gopal Kapoor	10.00%	2338437.01

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

NOTE NO. - 7

LONG TERM LOANS & ADVANCES

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
(Unsecured considered Good)		
Advance against Capital Goods	0.00	0.00
Security Deposits	0.00	0.00
Loans & Advances to Related Parties	0.00	0.00
Other Loans & Advances	4300000.00	4300000.00
<b>TOTAL</b>	<b>4300000.00</b>	<b>4300000.00</b>

NOTE NO. - 8

DETAIL OF OTHER NON CURRENT ASSETS

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
Preliminary Expenses	0.00	0.00
Pre-Operative Exp. Pending for Capitalisation	0.00	0.00
<u>LONG TERM TRADE RECEIVABLES (Considered Doubtful)</u>		
Debtors outstanding exceeding one year	20337108.00	1450000.00
<b>TOTAL</b>	<b>20337108.00</b>	<b>1450000.00</b>

**LWS KNITWEAR LIMITED**

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M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.**DETAILS OF CURRENT ASSETS****NOTE NO. - 9**

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b><u>INVENTORIES</u></b>		
Raw Material	0.00	0.00
Stock in Process	0.00	0.00
Finished Goods	19691.00	0.00
Stores & Spares	8750.00	8750.00
<b>SUB TOTAL (A)</b>	<b>28441.00</b>	<b>8750.00</b>
<b><u>TRADE RECEIVABLES</u></b>		
(Secured & considered good)		
Less than 6 months	53099871.00	40045054.00
more than 6 months but less than 1 year	0.00	209592.00
<b>SUB TOTAL (B)</b>	<b>53099871.00</b>	<b>40254646.00</b>
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
Cash in Hand	542482.46	1355967.46
Balance with Schedule Banks.	13160365.85	168640.81
Margin Money FDRs (Maturity Less than 12 months)	0.00	0.00
Margin Money FDRs (Maturity more than 12 months)	0.00	0.00
<b>SUB TOTAL (C)</b>	<b>13702848.31</b>	<b>1524608.27</b>
<b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>		
(Secured and considered good)		
- Loans & Advances to related parties	0.00	0.00
- Loans & Advances to others		
Advances to Suppliers	0.00	0.00
<b>SUB TOTAL (D)</b>	<b>0.00</b>	<b>0.00</b>
<b><u>OTHER CURRENT ASSETS</u></b>		
Duties & Taxes	8757.00	0.00
Misc. receivables	0.00	0.00
<b>SUB TOTAL (E)</b>	<b>8757.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>66839917.31</b>	<b>41788004.27</b>



M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

NOTE NO. - 10

## DETAIL OF REVENUE FROM OPERATIONS DURING THE YEAR ENDED 31.03.2013

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
Sales of Products	118322989.00	118159767.65
Sale of Services	0.00	0.00
Sale of Licences	0.00	0.00
	118322989.00	118159767.65
Less Taxes	0.00	0.00
<b>Net Revenue</b>	<b>118322989.00</b>	<b>118159767.65</b>

NOTE NO. - 11

## DETAIL OF INCOME FROM OTHER SOURCES DURING THE YEAR ENDED 31.03.2013

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
Rebate & Discount	13.48	0.00
Rounded Off	0.00	421.67
Freight & Cartage	0.00	888.00
	13.48	1309.67

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

**NOTE NO. - 12****DETAIL OF COST OF MATERIAL CONSUMED DURING THE YEAR ENDED 31.03.2013**

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
Opening Stock of Raw Material	0.00	0.00
Add Purchases	116696262.00	116313887.81
Less Closing Stock of Raw Material	0.00	0.00
Less Excise duty and VAT Consumed	0.00	0.00
Raw Material Consumed	116696262.00	116313887.81
Labels & Tags	4320.00	0.00
<b>TOTAL</b>	<b>116700582.00</b>	<b>116313887.81</b>

**NOTE NO. - 13****DETAIL OF INCREASE/DECREASE IN STOCKS DURING THE YEAR ENDED 31.03.2013**

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
OPENING STOCK OF		
- STOCK OF FINISHED GOODS	0.00	0.00
- STOCK OF WORK IN PROCESS	0.00	0.00
- STOCK OF STOCK-IN-TRADE	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
CLOSING STOCK OF		
- STOCK OF FINISHED GOODS	19691.00	0.00
- STOCK OF WORK IN PROCESS	0.00	0.00
- STOCK OF STOCK-IN-TRADE	0.00	0.00
<b>TOTAL</b>	<b>19691.00</b>	<b>0.00</b>
<b>INCREASE/DECREASE IN STOCKS</b>	<b>-19691.00</b>	<b>0.00</b>

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

NOTE NO. - 14

## DETAIL OF EMPLOYEE BENEFIT EXPENSES DURING THE YEAR ENDED 31.03.2012

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
Salary & Allowances	372000.00	132000.00
Staff & Labour Welfare Expenses	1640.00	1845.00
<b>TOTAL</b>	<b>373640.00</b>	<b>133845.00</b>

NOTE NO. - 15DETAIL OF FINANCIAL COST DURING THE YEAR ENDED  
31.03.2013

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
Bank Charges	1483.00	1000.00
Bank Interest		
- Term Loan	0.00	0.00
- Working Capital Limits	0.00	0.00
Interest to Others	0.00	0.00
<b>TOTAL</b>	<b>1483.00</b>	<b>1000.00</b>

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

**NOTE NO. - 16****DETAIL OF DEPRECIATION AND AMORTIZATION EXPENSES DURING THE YEAR ENDED 31.03.2013**

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
Depreciation	224489.00	224488.72
Preliminary Expenses W/Off	0.00	0.00
<b>TOTAL</b>	<b>224489.00</b>	<b>224488.72</b>

**NOTE NO. - 17****DETAIL OF OTHER EXPENSES DURING THE YEAR ENDED 31.03.2013**

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
Auditor's Remuneration		
- Audit Fees	15000.00	15000.00
Advertisement Expenses	87806.00	54962.00
Conveyance Expenses	7600.00	8200.00
Directors Remuneration & Perquisites	240000.00	240000.00
Entertainment Expenses	523.00	3963.00
Fees & Taxes	79534.00	694369.00
Meeting Expenses	10000.00	5000.00
Mics.Exp.	560.00	5280.00
Postage & Courier Expenses	4915.00	13139.00
Printing & Stationery	40638.00	20782.00
Legal & Professional Expenses	115910.00	83594.00
Telephone Expenses	96983.96	183097.31
Tour & Travelling Expenses	19100.00	45470.00
Vehicle Repair & Maintenance	8200.00	9400.00
Loss from Partnership Concern	41025.60	11362.93
<b>TOTAL</b>	<b>767795.56</b>	<b>1393619.24</b>

M/S LWS KNITWEAR LTD.  
G.T.ROAD (WEST), LUDHIANA

**NOTES ON ACCOUNTS.****ANNEXURE-XVIII****A. SIGNIFICANT ACCOUNTING POLICIES:****GENERAL**

- (i) These accounts are prepared on the historical cost basis and on the accounting principles of going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles and mandatory Accounting Standards.

**REVENUE RECOGNITION**

Expenses and incomes considered payable and receivable respectively are accounted for on accrual basis.

**FIXED ASSETS**

The Fixed assets are stated at Historical Cost less depreciation.

**DEPRECIATION**

Depreciation on fixed assets has been provided as per SLM Method of Companies Act 1956.

**METHOD OF ACCOUNTING**

The company has adopted mercantile system of accounting.

**VALUATION OF INVENTORIES**

Store & Spares are valued and certified by the management. As per their views the stocks are valued at cost or net realisable value whichever is low.

**PROVISION FOR CURRENT TAX AND DERERRED TAX**

Provision for current tax has been made as per the prevailing income tax rates and Provision for Deferred Tax Assets has been calculated in terms of newly issued accounting standard interpretation (ASI) No-5 along with ASI-3 and AS-22 issued by the ICAI.

**B. OTHER NOTES**

- 1) The company has not made any provision for gratuity as none of the employees is eligible for gratuity as per the information provided. The rules of Provident Fund and ESI act is not applicable on the company; hence the company has not deducted and deposited any ESI and Provident Fund on behalf of its employees, hence AS-15 is not applicable on the company.
- 2) The company has not acquired any fixed assets on which it has availed any loan from the banks, hence the capitalization of the borrowing costs as stated under AS-16 is not applicable on the company.(AS-16)
- 3) Investments as shown in the balance sheet are at cost. Their present market values are not ascertainable. The company has not received any dividend, interest or rent from the companies in which it had made investments. The company has received share of profit/Loss from M/s. LWS Knitwear, a partnership concern in which the company is one

of the partner. (AS-13).

- 4) The company has not made any foreign currency transactions during the year, hence AS-11 is not applicable on the company.
- 5) The company has made investments in LWS Knitwear, a partnership concern and Sh. Girish Kapoor, Mg. Director of the company is one of the partners.
- 6) The company has not received any grant or subsidy form Government of India during the year.
- 7) The company is a partner in LWS Knitwear. The information required by the Schedule VI of the Companies Act, 1956 in this regard is given as below :

During the year under reference the Company's share in the Profit/Loss from the firm was as under:

NAME OF THE PARTNER	AS AT 31.03.2013	AS AT 31.03.2012
Sh. Girish Kapoor	10%	10%
Sh. Gopal Kapoor	10%	10%
LWS Knitwear Limited	80%	80%

- 8) At the time of audit only test check has been made to check the records.

	2012-13	2011-12
9) Auditors Remuneration		
Audit Fees	5000/-	5000/-
Tax audit Fees	5000/-	5000/-
Misc. Services	5000/-	5000/-

	(Rs.in Lacs)	
	For the Year ended at	
	31st March 2013	31 <sup>st</sup> March 2012
10) Contingent liabilities not provided for	Nil	Nil
11) Estimated amount of contracts remaining to be executed on capital account.	Nil	Nil
12) Remuneration including benefits to Managing Director & Director.	2.40	2.40

13) Impact of Prior period items on profit is as under:-	(Rs. In Lacs)	
	2012-13	2011-12
<b>Particulars</b>		
Pre-Tax Profit after adjustment of prior period items	2.74	0.94
Add Prior Period Expenses	0.00	0.00
Less Prior period incomes	0.00	0.00
<b>Net Profit before Prior Period Items</b>	<b>2.74</b>	<b>0.94</b>

- 14) Additional information pursuant to paragraph 3,4C and 4D of part of the Schedule VI of the Companies Act, 1956 is as under:

	Current Year	Previous Year
a) Licenced, Installed Capacity & Actual Production;		
Licenced Capacity	N.A.	N.A.
Installed Capacity (Certified by Directors of the Co.)	1000 pcs per day	
Actual Production	Nil	Nil

- b) Value of imported and indigenus raw material & spares parts consumed.

i)	Raw Material		
	Imported	0.00	0.00
	Indigenous	1166.96	1163.14
ii)	Store & Spare		
	Imported	0.00	0.00
	Indigenous	0.00	0.00
c)	Value of imports on CIF basis.		
	Raw Material	Nil	Nil
	Capital Goods	Nil	Nil
d)	Expenditure in foreign currency	Nil	Nil
f)	Break up of expenditure incurred on employees in receipt of remuneration amounting to Rs.2400000 or more if employed for full year or Rs.200000 or more per month if employed for part of the year.	Nil	Nil
15)	Disclosure of related parties/related party transactions.		
a)	Names of the related parties :	M/s. LWS Knitwear M/s. LWS Exports Limited M/s. Gee Kay Knitwear (P) Ltd.	
b)	Key Management personnels :	Sh. Girish Kapoor : Director Sh. Daya Nand : Director Sh. Varinder Kumar Dhamija : Director	
		(Rs. In Lacs)	
c)	Disclosure of related party :	Associated Concerns	Key Mgt. Personnel
	Sale of Material and Services	16.33	Nil
			16.33
d)	Outstanding Balances as at 31.03.2013		

**UNSECURED LOANS**

Associate Concerns	:	Rs. Nil
Key Management Personnel	:	Rs. Nil
Other related Parties	:	Rs. Nil

**16) SEGMENT REPORTING**

The company is only in one line of business activity namely textile and selling its products with in India only. It has not earned or paid any foreign exchange during the FY 12-13, hence AS-17 is not applicable on the company.

17)	Earning Per Share as required under Accounting Standard 20:		
		2012-13	2011-12
	Profit/(Loss) for the year	1.15	-3.59
	Weighted average number of Equity Shares	50.58	50.58
		(Number in Lacs)	
	Basic earning per share (Rs.)	0.02	0.00
	Diluted earning per share (Rs.)	0.02	0.00

18. An appeal is pending with the CESTAT, New Delhi against the refund of bank guarantees en-cashed by the Custom Authorities for an amount of Rs.165459/- and Rs.843697/- which had been filed by Commissioner of Customs, New Delhi against the orders passes by the Commissioner Appeal, hence no provision for the refund of the amount has been made in the books of accounts. Refund will be treated in the account books on receipt basis.

19. **MSME COMMENTS**

None of our suppliers have come forward with their registration under the MSME Development Act 2006.

20. **EQUITY SHARE CAPITAL**

**AUHTORISED**

The company has an Authorised Equity Share Capital of Rs.5.50 crores divided into 55.00 Lacs equity shares of Rs.10/- each.

**ISSUED, SUBSCRIBED AND PAID UP**

Issued, Subscribed and paid up equity share capital of the company is Rs.50584000/- divided in to 5058400 equity shares of Rs.10/- each fully paid-up.

Equity Shares (Opening)	-	5058400
Allotted during the year	-	Nil
Equity Shares Closing	-	5058400

21. **MAJOR SHARE HOLDERS OF THE COMPANY HAVING STAKE OF MORE THAN 5%.**

Sh. Girish Kapoor	-	774700 Equity shares
Smt. Kusum Kapoor	-	2059900 Equity shares

22. **Aggregate Expenditure on (Rs. Lacs)**

- Employees Benefit Expenses		
Salary & Wages	-	3.72
Staff & Labour Welfare	-	0.02
- Depreciation and amortization Expenses	-	2.24
- Interest Income	-	0.00
- Interest Expenses	-	0.00
- Dividend Income	-	0.00
- Net gain/loss on sale of Investments	-	0.00
- Net gain on foreign currency transactions	-	0.00
- Prior Period Items	-	0.00

23. **Expenditure incurred on**

- Consumption of Stores & Spares	-	0.00
- Power & Fuel	-	0.00
- Rent	-	0.00
- Repair to buildings	-	0.00
- Repair to Machinery	-	0.00
- Insurance	-	0.00
- Fees & Taxes	-	0.80

24. The company has no unpaid calls and there is no forfeited shares during the year.

25. Additional information as required under PART IV of Schedule VI of the companies Act, 1956.



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration Details																										
Registration No.	L17115PB1989PLC009315						State Code	1	6																	
Balance Sheet Date	3	1	-	0	3	-	1	3																		
	Date			Month			Year																			
II. Capital Raised during the year (Rs. in Thousand)																										
Public Issue			Right Issue			Bonus Share			Private Placement																	
	N	I	L		N	I	L		N	I	L															
III. Position of Mobilization & Deployment of Funds (Amount in Rs. Thousand)																										
Total Assets						Total Liabilities																				
	1	7	3	3	4	3		1	7	3	3	4	3													
Sources of Funds																										
Paid up Capital				Reserve & Surplus				Secured Loans			Unsecured Loans															
		5	0	5	8	4		4	3	4	6	9		0	0	0		7	8	7	5					
Application of Funds																										
Current Liabilities						Non Current Assets						Current Assets														
		7	1	4	1	5								1	0	6	5	0	4		6	6	8	3	9	
IV. Performance of Company (Amount in Rs. Thousand)																										
Turnover & other Income				Total Expenditure				Profit Before Tax			Profit After Tax															
		1	1	8	3	2	3		1	1	8	0	4	8				2	7	5				1	2	2
Earning per Share						Dividend Rate																				
				0	0	0												0	0	0						
V. Generic Name of the Principal Product / Services of the Company (as per Monetary terms)																										
Item Code No. (ITC Code)	6	0	0	2	6	1	1	0																		
Product Description	K N I T T E D C L O T H																									

FOR RAJESH K. SHARMA & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR LWS KNITWEAR LTD.

Sd/-  
(RAJESH SHARMA)  
Partner

Sd/-  
(GIRISH KAPOOR)  
Managing Director

Sd/-  
(DAYA NAND)  
Director

Place: Ludhiana  
Date: 30.05.2013

M/S. LWS KNITWEAR LTD.  
G.T.ROAD(WEST), LUDHIANA.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2013

(Rs.)

PARTICULARS	AMOUNT (RS.)	Year Ended 31.03.2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and Extraordinary Items		274703.92
Adjustments for		
a. Depreciation & Amortization Exp. (Adjusted)	224489.00	
b. Interest Paid	0.00	
c. Interest Received	0.00	
	224489.00	224489.00
Operating Profit Before Working Capital Changes		499192.92
Adjustments for		
a. Increase in inventories	-19691.00	
b. Increase in Receivables	-12845225.00	
c. Increase in Loan & Advances	0.00	
d. Increase in Other Current Assets	-8757.00	
e. Increase in Current Liabilities & Provisions	57693859.00	
	44820186.00	44820186.00
<b>CASH GENERATED FROM OPERATIONS</b>		<b>45319378.92</b>
a. Interest Paid	0.00	
b. Prov. For Taxation	-153070.00	
	-153070.00	-153070.00
Cash Flow Before extraordinary items		45166308.92
Previous Year Tax Adjustments		-7220.00
Net cash From operating activities		45159088.92
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets(Net of Sales)	-126000.00	
Increase in Long Term Loans & Advances	0.00	
Increase in Non Current Assets	-18887108.00	
Increase in Non Current Investments	-13437226.88	
Interest Received	0.00	
	-32450334.88	
Net Cash used in Investing Activities		-32450334.88
		12708754.04
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital & Share Premiums	0.00	
Increase in Dereffered Tax Liability	0.00	
Increase in Long Term Borrowings	-530514.00	
Increase in Short Term Borrowings	0.00	
	-530514.00	
Net cash from Financing Activities		-530514.00
Net Increase(+)/Decrease(-) in Cash and Cash Equiv.		12178240.04
Cash and Cash equiv. as at 01.04.2012 (Op. Bal.)		1524608.27
Cash and Cash equiv. as at 31.03.2013 (Cl. Bal.)		13702848.31

As per our Report of even date attached

FOR RAJESH K. SHARMA & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR LWS KNITWEAR LTD.

Sd/-  
(RAJESH SHARMA)  
Partner

Sd/-  
(GIRISH KAPOOR)  
Managing Director

Sd/-  
(DAYA NAND)  
Director

Place: Ludhiana  
Date: 30.05.2013

**M/S. LWS KNITWEAR LTD.  
REGISTERED OFFICE: G.T.ROAD (WEST), LUDHIANA.**

**ATTENDANCE SLIP**

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

I/We hereby record by presence at the 24<sup>th</sup> Annual General Meeting being held on Monday, 30<sup>th</sup> September, 2013 at 9:30 a.m. at G.T. Road (West), Ludhiana.

FOLIO NO. \_\_\_\_\_ NO. OF SHARE HELD \_\_\_\_\_

NAME OF SHAREHOLDER/PROXY\* \_\_\_\_\_

ADDRESS \_\_\_\_\_

SIGNATURE OF SHAREHOLDER/PROXY\*

\*Strike out whichever is not applicable.

----- CUT HERE -----

**M/S. LWS KNITWEAR LTD.  
REGISTERED OFFICE: G.T.ROAD (WEST), LUDHIANA.**

**PROXY FORM**

I/We \_\_\_\_\_  
of \_\_\_\_\_ being the member /  
member of LWS KNITWEAR LIMITED, hereby appoint \_\_\_\_\_  
of failing him/her \_\_\_\_\_  
of \_\_\_\_\_

as my/our proxy to attend and vote for me/us and my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2013 at 9:30 a.m. and at any adjournment thereof.

At witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2013  
(Date) (Month)

L.F. No. \_\_\_\_\_

Signature

Affix Re.  
1/-  
revenue  
Stamp

**Note**

The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting. The proxy need not to be a member.

**As per SEBI Guidelines No Gifts / Gift Coupons shall be distributed at the Annual General Meeting**

**(BOOK POST)**  
PRINTED MATTER

To

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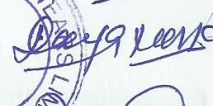
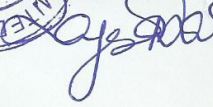
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*If undelivered please return to :*

**LWS KNITWEAR LTD.**  
Regd. Office: G. T. Road (West),  
LUDHIANA (PUNJAB)

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	L W S Limited <i>knit-wear.</i> LWS Knitwear Pvt. Ltd.
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by-	
	<input type="checkbox"/> Managing Director – Girish Kapoor	
	<input type="checkbox"/> CFO – Daya Nand	
	<input type="checkbox"/> Auditor of the company – Rajesh Sharma	
	<input type="checkbox"/> Audit Committee Chairman – Varinder Kumar	